

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located):

COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) (STATE: CALIFORNIA)

**COMMUNITY FACILITIES DISTRICT NO. 2 (SANTALUZ) IMPROVEMENT AREA NO. 3
SPECIAL TAX BONDS SERIES B OF 2000**

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer:

Community Facilities District No. 2 of the City of San Diego CUSIP: 802808

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic (no. of pages attached) **3 pages** _____

Paper (no. of pages attached) _____

If information is also available on the Internet, give URL: **NOT AVAILABLE** _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Annual Report for FY 2003

(Financial information and operating data should not be filed with the MSRB.)

B. Financial Statements or CAFR pursuant to Rule 15c2-12

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|---|---|
| 1. Principal and interest payment delinquencies | 6. Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. Non-payment related defaults | 7. Modifications to the rights of security holders |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties | 8. Bond calls |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties | 9. Defeasances |
| 5. Substitution of credit or liquidity providers, or their failure to perform | 10. Release, substitution, or sale of property securing repayment of the securities |
| | 11. Rating changes |

D. ☒ Notice of Failure to Provide Annual Financial Information as Required – see attached information.

E. Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name PATRICIA T. FRAZIER Title DEPUTY CITY MANAGER
Employer CITY OF SAN DIEGO
Address 202 C STREET, MAIL STATION 9B City SAN DIEGO State CA Zip Code 92101
Telephone (619) 236-6070 Fax (619) 236-7344
Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name: VIVIAN SAVEDRA Title: VICE PRESIDENT
Employer: UNION BANK OF CALIFORNIA, N.A.
Address: 120 S. SAN PEDRO STREET, SUITE 400 City: LOS ANGELES State: CA Zip Code: 90012
Telephone: (213) 972-5673 Fax: (213) 972-5694
Email Address _____ Relationship to Issuer: TRUSTEE

Investor Relations Contact, if any:

Name LAKSHMI KOMMI Title FINANCING SERVICES MANAGER
Telephone (619) 236-6928 Email Address _____

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD AND
NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORIES
OF FAILURE TO FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY
OF SAN DIEGO FOR THE FISCAL YEAR ENDED JUNE 30, 2003
ON BEHALF OF
THE COMMUNITY FACILITIES DISTRICT NO.2 (SANTALUZ) OF THE CITY OF SAN DIEGO

The Annual Reports do not include the Comprehensive Annual Financial Report of the City of San Diego (the "CAFR") for the year ended June 30, 2003 (the "2003 CAFR"). The City found errors in the CAFR for the fiscal year ended June 30, 2002 (the "2002 CAFR"), as well as other 2002 financial statements of the City. It is the opinion of the City Auditor and the City Outside Auditor (Caporicci and Larson) that, in accordance with accounting and auditing professional guidelines, discovered errors related primarily to footnotes, and were not material either individually or in the aggregate in the context of the 2002 CAFR taken as a whole. The City has retained the accounting firm of KPMG LLP, to perform a full scope audit and render an opinion on the basic financial statements in the 2003 CAFR. The City currently expects to have the audited 2003 CAFR ready for publication in June of 2004, although no assurance can be given that the audited 2003 CAFR will in fact be published by then. At such time as the audited 2003 CAFR is published, the Annual Reports will be appropriately amended.

The remainder of the Annual Report information required under the Continuing Disclosure Agreements/Certificates was filed with the Nationally Recognized Municipal Securities Information Repositories and the Trustee on or before April 1, 2004, in compliance with the Continuing Disclosure Agreements/Certificates.

Dated: March 30, 2004

 as,
Disclosure Representative

cc: Union Bank of California, N.A. (Trustee and Dissemination Agent)
UBS Financial Services (Participating Underwriter)
Morgan Stanley Dean Witter (Participating Underwriter)
E.J. De la Rosa & Co., Inc. (Participating Underwriter)